
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 5.21.2009

Wall Street Journal: "GM Finance Arm to Get a Fresh Bailout ... The Treasury Department is poised to inject more than \$7 billion into GMAC LLC, the first installment of a new government aid package that could reach \$14 billion, according to people familiar with the matter."

Wall Street Journal: "SEC Objects to Idea of Losing Some Oversight Power ... Securities and Exchange Commission Chairman Mary Schapiro said Wednesday she will "profoundly" question any move by the Obama administration to move some consumer-protection powers outside of the SEC."

Wall Street Journal: "Lehman Role Probed in Selling Securities ... The Justice Department has questioned several former executives at Lehman Brothers Holdings Inc. as part of its criminal investigation into whether they sold supposedly safe, liquid securities to clients while knowing that the market for the securities was drying up."

Wall Street Journal: "U.S. Rescue Aid Entrenches Itself ... Within a few weeks, some of the nation's biggest banks will start disentangling themselves from the government's grip by repaying billions in federal bailout dollars. But the moment, a symbolic bookend to a turbulent period, will likely be overshadowed by a parallel phenomenon: Many of the other emergency measures created to prop up the financial system are developing an air of permanence."

Wall Street Journal, Editorial: "About Those 'Speculators' ... Remember how President Obama blamed Chrysler's bankruptcy filing last month on "a small group of speculators" who turned down Treasury's \$2 billion final offer for their \$6.9 billion in debt? Well, it turns out that hedge funds and other short sellers weren't the only secured creditors who got a raw deal from Uncle Sam."

Washington Post: "Wider Confidence Lifts Economy From Winter's Deep, Dark Freeze ... The financial system, frozen solid for the past nine months, is in a spring thaw. And it's happening even though many of the Obama administration's major rescue programs have yet to get off the ground."

Washington Post: "With House Passage, Credit Card Bill Sent to President ... The House yesterday gave final approval to a bill that will prohibit credit card companies from arbitrarily raising interest rates on existing balances and charging certain fees."

Washington Post: "As U.S. Weighs New Consumer Agency, SEC Stakes Out Regulatory Turf ... The chairman of the Securities and Exchange Commission yesterday pushed back against the possibility that her agency might lose regulatory control over mutual funds to a new federal commission on consumer financial products."

Washington Post: "Federal Reserve Leaders See Economic Progress ... Federal Reserve leaders said they could step up their purchases of long-term debt "to spur a more rapid pace of recovery" but saw enough tentative signs of improvement in the economy to hold off at their April meeting, according to minutes released yesterday."

Washington Post, Editorial: "A Good Credit Card Bill ... That isn't really needed ... WHY, YOU MIGHT ask, did Congress pass new credit card legislation just months after the Federal Reserve Board adopted what Fed Chairman Ben S. Bernanke described as "the most comprehensive and sweeping reforms" of credit card accounts? The legislation isn't identical to the Fed reforms, but it is awfully similar. As much as anything, this is about Congress not wanting to let a ripe issue go by -- especially one with more popular appeal than, say, bailing out banks."

New York Times: "Fed Considered Increasing Its Purchase of Debt ... Seeking to keep interest rates in check and heal the credit markets, the Federal Reserve last month debated whether it should expand a program to buy mortgage and Treasury securities, according to minutes of the meeting released Wednesday."

New York Times: "Treasury Gears Up for Next Phase of Bank Rescue ... The country's biggest banks have made moves to bolster their balance sheets by about \$56 billion since the government disclosed the results of its financial "stress tests" two weeks ago, Treasury Secretary Timothy F. Geithner said Wednesday."

New York Times: "Jamie Dimon on the 'Traumatic TARP Experience' ... Wall Street is still reeling from one of the most wrenching periods in its history. But for Jamie Dimon, the head of the banking giant JPMorgan Chase, it was the firm's shining moment."

New York Times, Editorial: "Regulator Shopping ... The financial crisis had no single cause. But everyone knows that regulatory failure played a role and that one of the biggest mistakes was to allow "regulatory shopping" - in which banks and other financial firms were permitted to choose their own regulator."

Rasmussen, Op-Ed: "Audit The Fed ... I'll be the first to admit that the notion of Washington politicians auditing the Federal Reserve initially struck me as a little bit kooky - and more than a little bit backward."

Financial Times: "BofA seeks to repay \$45bn by end of year ... Bank of America wants to pay back \$45bn in bail-out funds by the end of the year, in a faster-than-expected move made possible by an accelerated programme to raise capital."

Financial Times: "US investors get to nominate boards ... US shareholders scored one of their biggest victories in many years on Wednesday when regulators proposed new rules allowing them to nominate company directors."

Barron's, Op-Ed: "I'm the Loser in This Card Game ... Credit-card reform will curb abuses but the prudent will pay."

USA Today: "Credit card protections come with some holes ... President Obama is expected to sign legislation this week to clamp down on credit card practices, a welcome move at a time when more consumers are losing their jobs and struggling to pay their bills."

USA Today: "FBI using wiretaps to sniff out mortgage fraud ... A recently created FBI team is setting priorities on mortgage fraud investigations, and the bureau is using undercover operations, wiretaps and computer technology to get evidence of economic crimes, the agency's chief said Wednesday."

Bloomberg: "Greenspan Says Banks Still Have a 'Large' Capital Requirement ... Former Federal Reserve Chairman Alan Greenspan signaled that the financial crisis has yet to end even as borrowing costs tumble, warning that U.S. banks must raise "large" amounts of money."